



OFFICE OF THE GOVERNOR

June 16, 2011

To the Members of the California State Legislature:

I am returning Senate Bill 69 and Assembly Bill 98 without my signature.

In January, I presented a balanced budget solution with a mix of deep spending cuts and temporary tax extensions subject to voter approval. My plan would put these extended revenues in a lockbox, ensuring that they are only used to protect education and public safety. It would also address California's long term fiscal crisis by substantially paying down the \$35 billion wall of debt built up over the last decade.

Yet Republicans in the Legislature blocked the right of the people to vote on this honest, balanced budget.

Meanwhile, Democrats in the Legislature made valiant efforts to address California's budget crisis by enacting \$11 billion in painful cuts and other solutions. I commend them for their tremendous efforts to balance the budget in the absence of Republican cooperation.

Unfortunately, the budget I have received is not a balanced solution. It continues big deficits for years to come and adds billions of dollars of new debt. It also contains legally questionable maneuvers, costly borrowing and unrealistic savings. Finally, it is not financeable and therefore will not allow us to meet our obligations as they occur.

We can – and must – do better. A balanced budget is critical to our economic recovery. I am, once again, calling on Republicans to allow the people of California to vote on tax extensions for a balanced budget and significant reforms. They should also join Democrats in supporting job creation and ending tax breaks for out-of-state companies. If they continue to obstruct a vote, we will be forced to pursue deeper and more destructive cuts to schools and public safety– a tragedy for which Republicans will bear full responsibility.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "Ed Brown".

Edmund G. Brown Jr.